

Message Text

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SUBJ: TRADE COMPLAINT: GERALD S. GOODEN VS: GREEK IMPORT AUTHORITIES

REF A. USDOC 15949; B. MR GOODEN'S LTR TO MR GILPATRIC OCT 20;

C. ATHENS 7439.

1. SUMMARY AND CONCLUSION: EMBASSY HAS CONTACTED APPROPRIATE CHAMBER OF

COMMERCE OFFICIAL, CREDIT BANK IN IRAKLION, STAVRAKAKIS, AND STAVRAKAKIS' LEGAL COUNSEL. CONCLUSION IS THAT FURTHER REPRESENTATIONS BY EMBASSY WOULD NOT BE SUCCESSFUL IN OVERTURNING CHAMBER DECISION DENYING IMPORT APPROVAL. NO EVIDENCE OF DISCRIMINATION EXISTS, AS GREEK OFFICIALS HAVE ACTED SIMILARLY IN DEALING WITH NUMEROUS REQUESTS TO IMPORT USED ROAD CONSTRUCTION EQUIPMENT. EMBASSY HAS, HOWEVER, FORMED OPINION THAT IF LOWER PRICE WERE QUOTE BY AMERICAN FIRM ON A NEW APPROVAL ALWAYS SUBJECT TO CENTRAL INVOICE COMMITTEE'S DECISION.

2. EMBASSY CONTACTED MR PSYLOLIGNOS, DIRECTOR INVOICE SERVICE, ATHENS CHAMBER OF COMMERCE & INDUSTRY, WHO IS RESPONSIBLE OFFICIAL. HE INFORMED EMBASSY THAT CENTRAL INVOICE COMMITTEE, TEN-MEMBER OFFICIAL ADVISORY BODY OF CHAMBER IS RESPONSIBLE FOR APPROVALS INVOICES OF HIGH VALUE AND FOR USED EQUIPMENT. PERIPHERAL CHAMBERS OF COMMERCE MUST REFER ALL SUCH INVOICES TO THIS COMMITTEE IN ATHENS FOR CONSIDERATION. COMMITTEE HAD REJECTED APPROVAL OF INVOICE FOR DISPUTED USED CATERPILLAR FRONT-AND LOADER ON GROUNDS THAT PRICE TOO HIGH TO JUSTIFY IMPORT APPROVAL AND CONCURRENT EXPENDITURE FOREIGN EXCHANGE. PSYLOLIGNOS ALSO STATED SHIPMENT HAD BEEN EFFECTED IN UNCLASSIFIED

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VIOLATION GREEK IMPORT LAWS BECAUSE PROCEDURE OF APPLYING FOR PRIOR

VALIDATION OF PRO-FORMA INVOICE BY CHAMBER OF COMMERCE HAD NOT BEEN FOLLOWED. STATEMENT IN REF B THAT PRIOR APPROVAL UNNECESSARY IS NOT ACCURATE (SEE PAGE 5 OBR 74-11 "MARKETING IN GREECE."). SUCH APPROVAL IS REQUIRED, AND PRIOR VALIDATION AND APPROVAL PRO-FORMA INVOICE NECESSARY IN ALL CASES TO OBTAIN IMPORT APPROVAL AND SECURE ALLOCATION OF FOREIGN EXCHANGE FOR PAYMENT. ALSO, DESPITE FURTHER STATEMENT IN REF B, NO EVIDENCE AVAILABLE EMBASSY THAT APPROVAL OF TRANSACTION BY ANY OFFICIAL AUTHORITY HAD EVER BEEN GRANTED FOR IMPORTATION OF DISPUTED EQUIPMENT.

3. IRAKLION BANK OFFICIALS INFORMED EMBASSY THAT HAD IMPORTERS CONSULTED THEM OR THE LOCAL CHAMBER OF COMMERCE PRIOR TO SHIPMENT OF EQUIPMENT, REGULATIONS AND PROCEDURES WOULD HAVE BEEN EMPHASIZED TO THEM AND SUBSEQUENT DIFFICULTY WOULD NOT HAVE ARISEN, ESPECIALLY SINCE INCREASING IMPORTATION USED ROAD BUILDING EQUIPMENT AND TRACTORS MATTER OF OFFICIAL CONCERN AND EXAMINATION SINCE EARLY 74.

THE FACT THAT ARRIVAL OF EQUIPMENT AND SHIPPING DOCUMENTS COINCIDED WITH PROMULGATION OF REVISED REGULATIONS REGARDING USED ROAD-BUILDING EQUIPMENT (SEE EMBASSY'S A-210, JUL 25, 1974) WOULD NOT HAVE MATTERED IF PRIOR IMPORT APPROVAL HAD BEEN GRANTED.

4. ATHENS ATTORNEY EVANGELOS AVGROUSTAKIS, WHO ALSO INVESTIGATED CASE ON BEHALF MR. STAVRAKAKIS, CONFIRMED TO EMBASSY REPRESENTATIVE THAT CENTRAL INVOICE COMMITTEE HAD NOT REJECTED INVOICE AS BEING FALSE BUT RATHER BECAUSE IT CONSIDERED PRICE WOULD RESULT IN EXCESSIVE DRAIN OF FOREIGN CURRENCY FOR USED EQUIPMENT. IN HIS OPINION, THIS MAKES CASE MATTER OF NATIONAL INTEREST AND USE OF EMBASSY GOOD OFFICES WOULD NOT BE PRODUCTIVE.

5. EMBASSY UNDERSTANDS THAT CHAMBER EMPLOYEES UNOFFICIALLY SUGGESTED TO LAWYER AVGROUSTAKIS AND MR STAVRAKAKIS TO OBTAIN FROM EXPORTERS NOW INVOICE WITH REDUCED PRICE FOR SUBMISSION TO THE COMMITTEE FOR POSSIBLE APPROVAL. IN THIS CONNECTION, IRAKLION CREDIT BANK OFFICIAL ADVISE THAT SHOULD EXPORTERS DECIDE TO REDUCE PRICE, THEY SHOULD INSTRUCT THE AMERICAN BANK TO SEND COMPLETELY NEW INVOICE TO THE GREEK BANK. NO REFERENCE NUMBERS OR INSTRUCTIONS TYING THIS INVOICE WITH PREVIOUS ONE SHOULD APPEAR ON THE NEW INVOICE. ANY RELATIVE INSTRUCTIONS TO THE

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GREEK BANK SHOULD BE SENT BY SEPARATE LETTER, THE BANK OFFICIALS SAID. IN THE MEANTIME, IRAKLION BANK INFORMS US IT HAS PLACED EQUIPMENT IN STORAGE AWAITING INSTRUCTIONS FROM SHIPPERS.

6. SINCE S&G EXPORTERS, INC. ESTABLISHED FOR PURPOSE OF EXPORTING CONSTRUCTION EQUIPMENT TO GREECE, EMBASSY SUGGESTS COPY OF A-210, JULY 25, JOURNAL BE MADE AVAILABLE TO THEM.
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